



Nova Scotia Corporation Tax Calculation (2014 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year</td> <td style="text-align: center; border-bottom: 1px solid black;">Tax year-end Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="width: 33%; height: 20px;"></td> <td style="width: 33%;"></td> <td style="width: 33%;"></td> </tr> </table>	Year	Tax year-end Month	Day			
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- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal Income Tax Regulations) in Nova Scotia, and had taxable income earned in the year in Nova Scotia and its offshore area.
- This schedule is a worksheet only. You do not have to file it with your T2 Corporation Income Tax Return.

Part 1 – Calculation of income subject to the lower and higher tax rate for Nova Scotia and its offshore area

Period before January 01, 2014

Taxable income for Nova Scotia* A1

Income eligible for the lower tax rate for Nova Scotia and its offshore area:

Amount from line 400 of the T2 return** B1

Amount from line 405 of the T2 return C1

Amount from line 425
of the T2 return $\times \frac{400,000}{500,000} =$ D1

Amount B1, C1, or D1, whichever is the least E1

Amount E1 $\times \frac{\text{Taxable income for Nova Scotia}^*}{\text{Taxable income for all provinces}^{***}}$ F1

Income subject to the higher tax rate for Nova Scotia and its offshore area (amount A1 minus amount F1) G1

Enter amount F1 and/or amount G1 on the applicable line(s) in Part 3.

Period after December 31, 2013

Taxable income for Nova Scotia* A2

Income eligible for the lower tax rate for Nova Scotia and its offshore area:

Amount from line 400 of the T2 return** B2

Amount from line 405 of the T2 return C2

Amount from line 425
of the T2 return $\times \frac{350,000}{500,000} =$ D2

Amount B2, C2, or D2, whichever is the least E2

Amount E2 $\times \frac{\text{Taxable income for Nova Scotia}^*}{\text{Taxable income for all provinces}^{***}}$ F2

Income subject to the higher tax rate for Nova Scotia and its offshore area (amount A2 minus amount F2) G2

Enter amount F2 and/or amount G2 on the applicable line(s) in Part 3.

* If the corporation has a permanent establishment only in Nova Scotia or in the offshore area of Nova Scotia, enter the taxable income from line 360 of the T2 return. Otherwise, enter the total of the taxable incomes allocated to both jurisdictions in Nova Scotia (the province itself and the offshore area) from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

** If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 – Calculation of income from active business when there is partnership income

Complete this part only if the corporation is a member of a partnership.

Period before January 1, 2014

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Amount X from Part 5 of Schedule 7 1
 Amount from line 530 from Part 5 of Schedule 7 ... 2
 Subtotal (amount 1 **minus** amount 2) H1

Amount S from Part 4 of Schedule 7 I1

J1	K1	L1	M1
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by 400,000 500,000	Column J1 minus column K1 (if negative, enter "0")	Lesser of columns J1 and K1 (if column J1 is negative, enter "0")
1.			
2.			
3.			
Totals		N1	O1

Amount on line 370 from Part 3 of Schedule 7 ... P1
 Amount on line 380 from Part 3 of Schedule 7 ... Q1
 Subtotal (amount P1 **plus** amount Q1) R1
 Enter amount N1 or amount R1, whichever is less S1
 Specified partnership income (amount O1 **plus** amount S1) T1
 Partnership income not eligible for small business deduction (amount I1 **minus** amount T1) U1
Income from active business (amount H1 **minus** amount U1) V1
 Enter amount V1 on line B1 in Part 1.

Period after December 31, 2013

For days in the tax year in the period mentioned above, calculate the income from active business as follows:

Amount X from Part 5 of Schedule 7 1
 Amount from line 530 from Part 5 of Schedule 7 ... 2
 Subtotal (amount 1 **minus** amount 2) H2

Amount S from Part 4 of Schedule 7 I2

J2	K2	L2	M2
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by 350,000 500,000	Column J2 minus column K2 (if negative, enter "0")	Lesser of columns J2 and K2 (if column J2 is negative, enter "0")
1.			
2.			
3.			
Totals		N2	O2

Amount on line 370 from Part 3 of Schedule 7 ... P2
 Amount on line 380 from Part 3 of Schedule 7 ... Q2
 Subtotal (amount P2 **plus** amount Q2) R2
 Enter amount N2 or amount R2, whichever is less S2
 Specified partnership income (amount O2 **plus** amount S2) T2
 Partnership income not eligible for small business deduction (amount I2 **minus** amount T2) U2
Income from active business (amount H2 **minus** amount U2) V2
 Enter amount V2 on line B2 in Part 1.

Part 3 – Calculation of Nova Scotia tax before credits and of Nova Scotia offshore tax

Tax at the lower rate for Nova Scotia and its offshore area:

Amount F1 _____	×	$\frac{\text{Number of days in the tax year before January 1, 2013}}{\text{Number of days in the tax year}}$	_____	×	4.0% = _____	1
Amount F1 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2012, and before January 1, 2014}}{\text{Number of days in the tax year}}$	_____	×	3.5% = _____	2
Amount F2 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2013}}{\text{Number of days in the tax year}}$	_____	×	3.0% = _____	3

Tax at the lower rate for Nova Scotia and its offshore area (total of amounts 1, 2, and 3) _____ ► **AA**

Tax at the higher rate for Nova Scotia and its offshore area:

Amount G1 _____	×	$\frac{\text{Number of days in the tax year before January 1, 2014}}{\text{Number of days in the tax year}}$	_____	=	_____	4
Amount G2 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2013}}{\text{Number of days in the tax year}}$	_____	=	_____	5
Subtotal (amount 4 plus amount 5)						6

Tax at the higher rate for Nova Scotia and its offshore area (amount on line 6 **multiplied** by 16%) _____ **BB**

Tax for Nova Scotia and its offshore area (amount AA **plus** amount BB) **CC**

Only one jurisdiction

If the taxable income is allocated only to Nova Scotia or to Nova Scotia offshore, and the corporation is **not** claiming a Nova Scotia tax credit, enter amount CC on line 760 of the T2 return. If the corporation is claiming a credit, enter amount CC on line 215 or 220 of Schedule 5, whichever applies.

Jurisdictions in both Nova Scotia and Nova Scotia offshore

If the corporation has taxable income allocated to both Nova Scotia and its offshore area, calculate the following:

Amount CC _____	×	$\frac{\text{Taxable income for Nova Scotia offshore}}{\text{Taxable income for Nova Scotia plus taxable income for Nova Scotia offshore}}$	_____	=	DD
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Nova Scotia offshore tax – enter amount DD on line 220 of Schedule 5.

Nova Scotia tax before credits (amount CC **minus** amount DD) **EE**

Enter amount EE on line 215 of Schedule 5.